

VZCZCXRO3194  
RR RUEHCHI RUEHDT RUEHHM RUEHNH  
DE RUEHHI #1401/01 3580807  
ZNR UUUUU ZZH  
R 230807Z DEC 08  
FM AMEMBASSY HANOI  
TO RUEHC/SECSTATE WASHDC 8924  
INFO RUEHHM/AMCONSUL HO CHI MINH 5422  
RUCNASE/ASEAN MEMBER COLLECTIVE  
RUEAUSA/DEPT OF HHS WASHINGTON DC  
RUEATRS/DEPT OF TREASURY WASHINGTON DC  
RHHMUNA/USPACOM HONOLULU HI

UNCLAS SECTION 01 OF 02 HANOI 001401

SENSITIVE  
SIPDIS

DEPT FOR EAP/MLS  
USTR FOR BISBEE

E.O. 12958: N/A

TAGS: [OREP](#) [EFIN](#) [EAID](#) [ECPS](#) [ECON](#) [ETRD](#) [VM](#)

SUBJECT: SENATOR BAUCUS URGES VIETNAM TO OPEN MARKET TO U.S BEEF,

REFORM LABOR LAW

HANOI 00001401 001.2 OF 002

¶1. (SBU) Summary: Senator Max Baucus (D-MT) met with Vietnamese Prime Minister Nguyen Tan Dung, National Assembly Vice Chairman Uong Chu Luu, Industry and Trade Minister Vu Huy Hoang and Education Vice Minister Banh Tien Long on December 16-17, 2008. Baucus urged Vietnamese officials to open their market to U.S. beef, join the Trans-Pacific Partnership trade alliance (TPP), reform Vietnam's labor laws to obtain coverage under GSP, and increase IPR enforcement. The prime minister and other Vietnamese officials thanked Baucus for his steadfast support of Vietnam, including his backing of permanent normal trade relations (PNTR), the Bilateral Trade Agreement and WTO accession. The prime minister also asked the American people to "take responsibility for the war in Vietnam and help the Vietnamese people." End summary.

FIRST VISIT TO VIETNAM SINCE 1963  
-----

¶2. (SBU) Senate Finance Chairman Max Baucus, accompanied by staffers, visited Hanoi December 16-17. The visit to Vietnam was Baucus's first since 1963, when he spent several days in Saigon as a student. The Senator marveled at Vietnam's economic progress since that time, calling it "miraculous." In front of students at the Diplomatic Academy of Vietnam (DAV), where he delivered a speech, Baucus praised the development of the U.S.-Vietnam bilateral relationship and outlined steps to continue the engagement between the two countries.

TRANS-PACIFIC PARTNERSHIP  
-----

¶3. (SBU) Baucus urged GVN officials to join the Trans-Pacific Partnership, the trade alliance formerly known as P4, whose current members include Singapore, Chile, New Zealand and Brunei. Prime Minister Dung expressed interest, but said his government would need to understand all of the obligations before committing to TPP as a full member.

BUY MONTANA BEEF, LENTILS  
-----

¶4. (SBU) Baucus also urged officials to open Vietnam's market to U.S. beef from cattle aged over 30 months, consistent with international standards and the World Organization for Animal Health (OIE) guidelines. "Vietnam continues to maintain unscientific restrictions on U.S. beef," Baucus told officials. Vietnam imported around 10,000 tons of beef through the first eight months of 2008, mostly from the United States, Australia, Brazil and Argentina, according to the latest GVN trade figures. Both Prime Minister Dung

and Trade Minister Hoang told Baucus that Vietnam was willing to discuss the beef issue, but made no immediate commitments. Baucus also called Vietnam's 13 percent import tariff on lentils "curious," since the country has no domestic lentil producers. Hoang said he was unfamiliar with the issue but promised to follow-up with the Ministry of Agriculture and Rural Development (MARD) and Ministry of Finance (MOF).

#### VIETNAMESE TRA, BASA EXPORTS AT RISK

-----

15. (SBU) Baucus warned GVN officials that the USG was currently weighing a decision to expand the definition of catfish, which may include Vietnamese tra and basa fish, and transfer the management of catfish imports from the Food and Drug Administration (FDA) to the Food Safety Inspection Service (FSIS) of the U.S. Department of Agriculture (USDA). If the law were to take effect, Vietnamese tra and basa exports to the U.S. would be controlled more closely, much like imported meat products. Currently, meat products from just 34 developed countries meet U.S. meat standards.

#### ANTIDUMPING AND MARKET ECONOMY STATUS

-----

16. (SBU) Trade Minister Hoang expressed hope that the incoming U.S. administration would continue to refrain from initiating new antidumping investigations on Vietnamese apparel imports. Hoang also urged the USG to recognize Vietnam's transition from a non-market economy (NME) by granting Market Economy Status (MES).

#### STRENGTHEN IPR PROTECTION

-----

17. (SBU) Baucus encouraged the GVN to do more to crackdown on copyright violations and pointed out that IPR protection was critical not only for foreign rights holders but for domestic

HANOI 00001401 002.2 OF 002

producers who contribute to Vietnam's economic prosperity. National Assembly Vice Chairman Luu acknowledged that IPR protection was often weak and said the government was currently revising its IPR criminal code with ratification by the National Assembly expected in 2009.

#### LABOR REFORM REQUIRED FOR GSP

-----

18. (SBU) Baucus told his Vietnamese interlocutors that he strongly backed Vietnam's bid to obtain coverage under the Generalized System of Preferences (GSP), eliminating duties on thousands of Vietnamese exports. Baucus explained, however, that Vietnam would need to reform its labor laws to meet international standards regarding the right of association and the right to organize and bargain collectively to benefit from GSP. Vietnam is currently working to overhaul its labor code by 2011 and Baucus urged GVN officials to speed up that effort to obtain GSP sooner.

#### PRIME MINISTER: TAKE RESPONSIBILITY FOR THE WAR

-----

19. (SBU) Near the end of their December 17 meeting, Baucus asked Prime Minister Dung, "what one thing would you like Americans to know about Vietnam?" Dung replied that he wanted the "American people to take responsibility for the war in Vietnam and help the Vietnamese people." "Every family in Vietnam has had at least one person who has died because of the war," he explained. He called Vietnam a "poor country, facing many challenges," and said Vietnam's underdevelopment could be explained by the war and the consequences of the war with the United States. Dung asked Baucus for education and training assistance as well as help in the area of science and technology to combat climate change, which posed a particular risk to Vietnam's low-lying coastline, he said.

#### EDUCATION COOPERATION

-----

¶10. (U) Vice Minister Long and Baucus discussed the implementation of a student exchange agreement between Vietnam and the University of Montana. Baucus told Long he hoped that increasing numbers of Vietnamese students would consider studying in the United States. University of Montana officials plan to visit Vietnam in January 2009 to finalize details of the agreement.

¶11. (U) Codel Baucus declined the option of clearing on this cable.

MICHALAK